

Prospects for a Rim County Population Rebound: *Can Quality of Place Lure In-Migrants?*

by David Vail



David Vail asks whether population will rebound in Maine's rural "rim" counties and whether investing to enhance "quality of place" can attract large numbers of rural settlers. Review of the evidence suggests that Maine's rim counties are not experiencing a population rebound and that rural counties vary greatly in their ability to hold onto existing residents or attract new ones. Vail argues that quality-of-place investments should not be considered as a core development tool for rural areas, but that they can complement traditional rural economic policy measures. Since it is difficult to stimulate a major population movement to Maine's rim counties, amenity investments should focus on enhancing quality of life for current residents, thereby strengthening their incentive to stay. 🐉

As the search for quality places grows in importance, Maine possesses a globally known “brand” built on images of livable communities, stunning scenery, and great recreational opportunities....Crucial to this brand is the integrity of Maine’s distinctive towns and villages and the stunning natural areas that lie between them. (The Brookings Institution 2006: 6, 8)

AMERICA’S RURAL REBOUND AND BROOKINGS’ UPBEAT MAINE FORECAST

America’s non-metropolitan population rebounded by 3.5 million in the 1990s, following a 1.4 million decline in the 1980s. The movement of retirees and highly skilled younger adults to “amenity-rich” rural areas was especially conspicuous. Among older people the rural shift was nothing new: they have relocated to rural areas since the 1950s. However, before the 1990s, the graying of rural America had been reinforced by the continuing exodus of youths and younger adults from most rural regions. So the big news of the 1990s was the positive net rural migration of young adults.

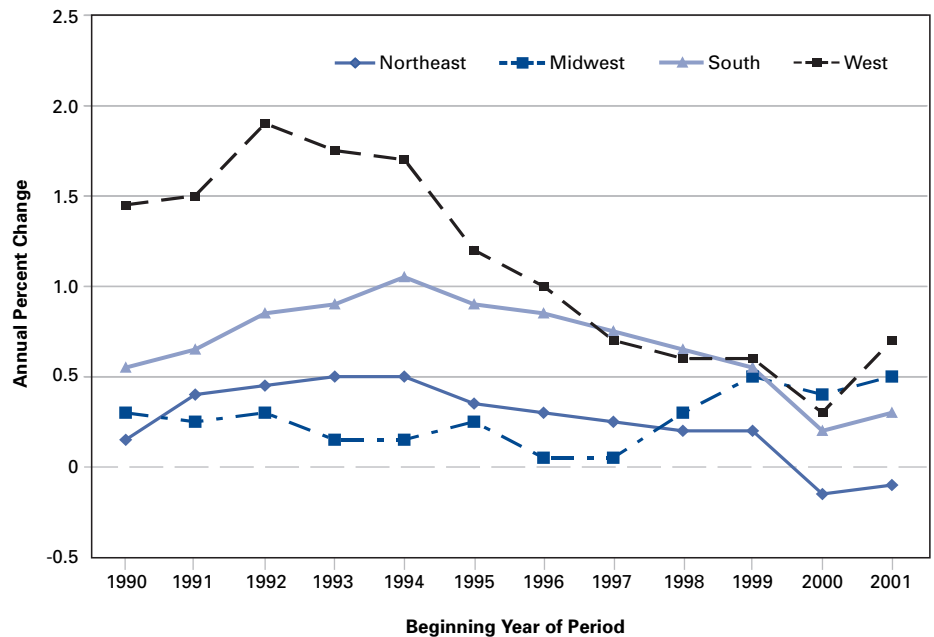
As Figure 1 shows, the rebound was actually concentrated in the first half of the 1990s and in the South and West; by decade’s end, the rebound was losing momentum. Important for this essay, it was less pronounced in the Northeast, where rural migration actually turned negative in 2000. Indeed, apart from the 1970s’ “back to the land” episode, the rural Northeast has experienced net out-migration fairly consistently since World War II. The underlying story is familiar: better career opportunities, metropolitan amenities, and the lure of a milder climate have been major forces drawing younger people away (Johnson and Cromartie 2006: 29).

The Brookings Institution’s 2006 report, *Charting Maine’s Future*, quoted

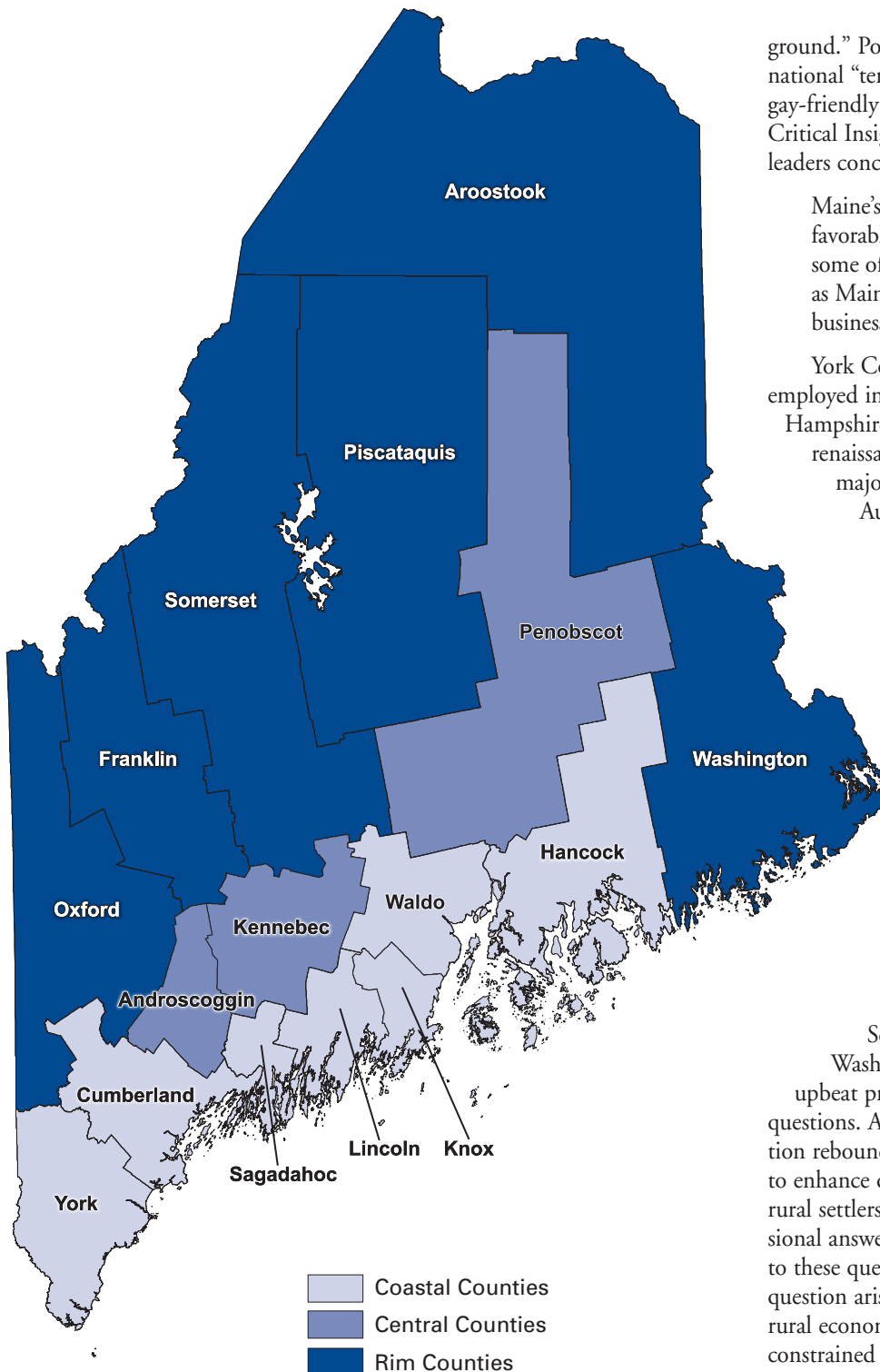
above, preaches the good news that, in the 21st century, quality of place is one of Maine’s special assets supporting economic development. Without doubt, talented and affluent people are drawn to places offering an outstanding quality of life. The Brookings’ analysis implies that southern and coastal Maine have the greatest magnetism, but their optimism extends to every corner of the state. Their bright forecast of Maine’s prospects is backed by evidence of our own population rebound between 2000 and 2005. In that period, Maine’s 0.8 percent annual population growth was New England’s second highest, lagging behind only New Hampshire. Indeed, all Maine regions shared in the growth, although the pace was slower in northern and Downeast regions (0.2 percent and 0.3 percent/year, respectively) (Brookings 2006).

The claim that Maine is primed for continuing in-migration, driven by exceptional quality of place, is bolstered by anecdotal stories and evidence “on the

FIGURE 1: Non-metropolitan Net Migration by Region, 1990–2001



Source: Johnson and Cromartie 2006: 39

FIGURE 2: **Maine's Coastal, Central and Rim Counties**

ground.” Portland, for instance, is regularly featured in national “ten best places” lists: most livable small cities, gay-friendly communities, and hot tourist destinations. Critical Insights’ 2009 survey of Maine’s business leaders concludes:

Maine’s Natural Environment and perceived favorable quality of life continue to garner some of the highest levels of endorsement as Maine’s greatest *assets* as a place to do business (Critical Insights 2009: 4).

York County has become a haven for commuters employed in greater Portland, southern New Hampshire, and even metropolitan Boston. An urban renaissance of sorts is underway in central Maine’s major service centers, Bangor, Lewiston-Auburn, and Waterville. *Money* magazine rates Brunswick a prime destination for affluent retirees, and the influx of retired people has pushed east of Penobscot Bay to Hancock County.

To a great extent, *Charting Maine’s Future* framed our economic policy dialogue for several years, until the “great recession” and the state’s severe fiscal woes captured the headlines. Thus, it is fair to inquire whether Brookings’ assertion that quality of place is Maine’s key strategic asset is justified—especially in the case of our sparsely populated, economically distressed, remote, and chilly rim counties (Oxford, Franklin, Somerset, Piscataquis, Aroostook and Washington) (Figure 2). Provoked by Brookings’ upbeat prognosis, this essay attempts to answer two questions. Are there solid prospects for a rural population rebound in Maine’s rim counties? Can investing to enhance quality of place attract large numbers of rural settlers? Several types of evidence support provisional answers to these questions. Should the answers to these questions be ambiguous or negative, a third question arises: what are the implications for Maine’s rural economic strategy in an era of severely constrained state resources?

QUALITY OF PLACE: ARTICLE OF FAITH, MOBILIZING DEVICE—FISCAL STEPCHILD

In recent years, Maine has experienced a remarkable burst of community, regional, and state initiatives, built on the interrelated notions of *quality of place*, *creative economy*, and *asset-based development*. Indeed, the potential of amenity investments to revitalize communities and local economies has become an article of faith through the Brookings report and the work of Governor's Councils on Maine's Creative Economy and on Maine's Quality of Place. Former State Economist Catherine Reilly and economics professor Henry Renski, in a study commissioned by the Council on Quality of Place, echo the Brookings assessment (2007: 40):

Initial evidence suggests that Quality of Place aids economic growth, which makes it an important consideration in Maine. It is an area in which Maine has a comparative advantage: the state's natural setting and livable communities have attracted visitors and residents for decades; its internationally-recognized brand centers on these features. This makes Quality of Place an attractive framework for community and economic development initiatives in Maine.

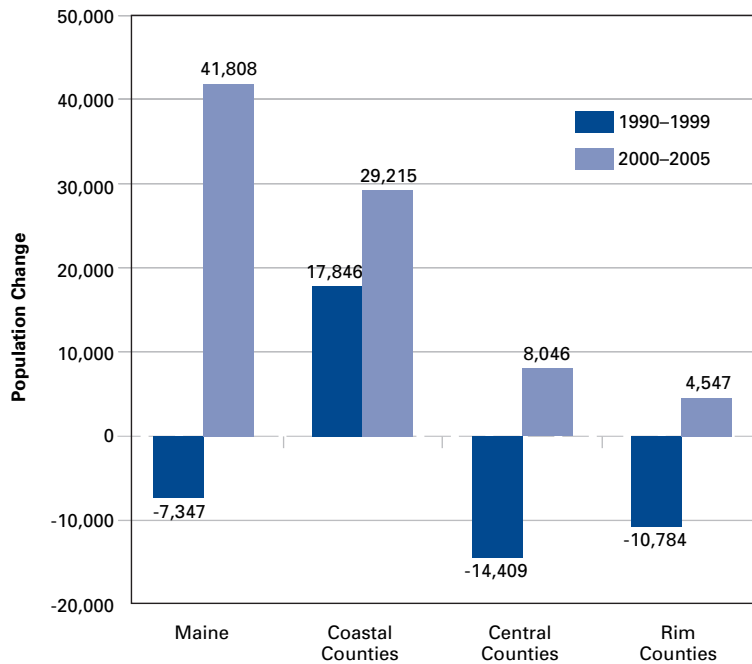
This faith is embodied in an extraordinary array of recent initiatives. The Municipal Investment Trust Fund (launched in 1993), the Maine Downtown Center's "Main Street Maine" program (1999), the Maine Cultural Affairs Council's "New Century Community Program" (2002), and the Governor's Council on the Creative Economy (2004) all predate the Brookings report. The Governor's Council on Maine's Quality of Place (2006) the Maine Downtown Coalition's "Communities for Maine's Future" effort (2007), and "Mobilize Maine" are descendents of the Brookings' analysis and recommendations. These efforts are all statewide in scope; however, each also addresses rural Maine's special needs and opportunities. Still other efforts have a distinctly rural flavor, for instance the Great Maine Forest initiative, the Maine Woods Consortium, the Maine Rural Partnership, and Northern and Eastern Maine Development Corporation projects. To this

inventory, we should add countless grassroots initiatives in the rim counties, such as the Western Mountains Alliance, the Piscataquis Tourism Authority, *Voici* the [St. John] Valley, and the Eastport Arts Center and Tides Institute.

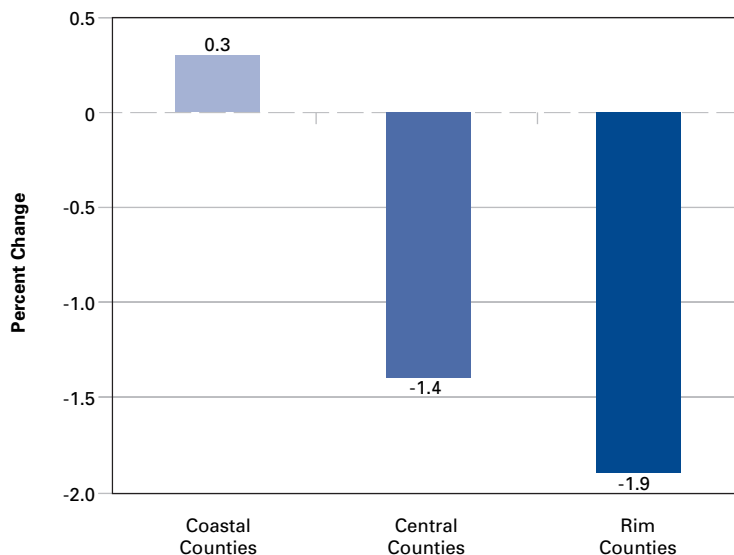
When this essay was first drafted in early 2009, there was optimism that the Maine legislature's bond package would channel tens of millions of dollars into the excellent investment proposals generated by the Governor's Council on Quality of Place. In the event, the Governor's \$306 million bond package was whittled down dramatically, particularly for quality-of-place investments. Quality-of-place bonds that survived the Appropriation Committee's long knives centered on Land for Maine's Future (including the Working Waterfront Fund) and trails projects within the highways and bridges bond. This year voters will also decide on token amounts for Parks and Lands, the Endangered Building Fund, and Communities for Maine's Future. As of this writing, a follow-up governor's bill has emerged successfully from committee: LD 1389, "An Act to Create State and Regional Quality of Place Investment Strategies for High Value Jobs, Products and Services in Maine." Given recent history, a skeptic could be forgiven for expecting little funding to back the bill's rhetoric.

In recent years Maine has experienced a remarkable burst of community, regional, and state initiatives built on the interrelated notions of *quality of place*, *creative economy*, and *asset-based development*.

Quality-of-place advocates also expressed early optimism that their carefully crafted proposals would receive a healthy cut of Maine's \$1 billion-plus in Federal Recovery Act funds. However, when the state's ARRA priorities were hammered out, quality-of-place initiatives were, not surprisingly, unable to compete effectively against urgent education, health,

FIGURE 3: Maine Net Migration, 1990–1999 and 2000–2005

Source: U.S. Census Bureau

FIGURE 4: Maine Population Change Ages 15–44, 2000–2005

Source: Cervone 2007: 50, 51

and transportation needs. In sum, the rim counties cannot expect a major infusion of either state or federal revenues for quality-of-place investments in the foreseeable future.

MAINE'S RIM COUNTIES AS A MAGNET FOR IN-MIGRANTS: EVIDENCE

In my current study of amenity investments and development of tourist destinations, I have heard heartening stories about Maine natives and former seasonal residents returning to retire in Rangeley, Brownville, Caribou, and Machias and tales of big city emigrés launching craft workshops in Dover-Foxcroft, art galleries in Eastport, organic farms in Strong, and B&Bs in Greenville. It is also encouraging that Oxford County actually grew faster than the state between 2000 and 2006 (4.3 percent vs. 3.7 percent). It is clear that rural communities and counties vary greatly in their ability to hold onto existing residents and attract in-migrants. But do such anecdotes and local trends betoken a general rural population rebound?

Viewing Maine's demographics from a rim-county vantage point, the Brookings report appears to have tweaked the data to support its optimistic message. This is reflected in Brookings' choice of indicators and time frame. The following figures from a 2007 Maine Center for Economic Policy (MECEP) report (Vail and Pohlmann 2007) show that Maine's 2000–2005 population rebound was overwhelmingly a south coastal phenomenon (see Figure 3). The rim counties, with 21 percent of Maine's population, attracted just 11 percent of the migrant flow. As in the past, rural settlers were older people. Youths and young adults continued to emigrate. Figure 4 illustrates population change of young adults from 2000 to 2005. Even Oxford County, with its comparatively rapid overall population growth, experienced a 24 percent decline in 25- to 34-year-olds between 1990 and 2005 (Hamilton et al 2008: 7). An oft-repeated fact is that Maine's has America's oldest population, by median age. In 2006, 14.6 percent of Maine residents were at least 65; the rim county figure was 16 percent (U.S. Census 2009).

By extending our view to the years before and since Brookings' 2000–2005 glimpse, it becomes clear

that their optimism about Maine's attractive power is grounded in a brief and evidently atypical time period. In the 1990s, statewide net migration was negative and since 2005, the state's growth has plummeted from 8,000+/year in the Brookings time frame to just 1,000 to 2,000 per year. Indeed, in 2008 Maine's net migration turned negative once again and our population growth went from second fastest to second slowest among New England states (MDOL 2009).

In sum, a careful review of the evidence does not support Brookings' claim that Maine's rim counties are enjoying a population rebound, much less one that can slow the rapid aging of our rural population. Even so, it could be claimed that *Charting Maine's Future* points in the right strategic direction. Perhaps by making smart quality-of-place investments, the rim counties still have a chance to hold onto their young people and attract migrants in significant numbers. The following section explores this thesis by reviewing the core features of the national rural rebound.

UNDERSTANDING AMERICA'S RURAL REBOUND

More important than counting heads is understanding why the 1990s rural rebound was concentrated in certain areas and why the "selective deconcentration" of America's population largely bypassed Maine's rim counties. With care, we can draw useful inferences from investigations into the 1990s migration surge from metropolitan to amenity-rich rural areas. Johnson and Cromartie (2006: 37) summarize a core insight distilled from numerous studies: "The vast majority of the non-metropolitan counties located in [fast growing] subregions benefited demographically from scenic landscapes, mild climates, proximity to rapidly growing metro areas, or a combination of these amenities."

Much—though by no means all—of rural Maine possesses one of the big three "pull factors": scenic landscapes. But, to state the obvious, the rim counties lack two of the big three attractors: a mild climate and ready access to dynamic metropolitan centers. Given sufficient time, climate change may make Maine's Northern Forest and Downeast regions more attractive to prospective migrants. Who knows, heat, drought and fire in the U.S. Southwest might even reverse a 150-year trend

and draw amenity-seeking migrants back to the cooler, wetter Northeast. But, like nearness to lively metropolitan areas, climate change is far beyond Maine's control.

Here in the Northeast, rural Vermont's settlement patterns bear out the importance of metropolitan proximity. Between 1990 and 2003, when Maine's rim county population was shrinking, non-metro Vermont grew by six percent, linked to greater Burlington's even faster (12 percent) growth (Lawton 2005). In addition to Burlington's attractive power, most Green Mountain State residents live less than an hour from Interstate highways and regular rail service to New York, Montreal, and Boston.

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To what extent can Maine's remote and chilly rim counties transform themselves into migratory destinations? Can they offset fundamental climate and location disadvantages by enhancing their quality of place—investing in amenity assets like charming and authentic town centers, diverse social and cultural activities, and high-quality health and education services? The answer is not clear. Following many years of study, University of Wisconsin analysts admit, "We do not have a good understanding of amenity-led growth" (Green et al. 2005: 2). Thomas Power, a prominent recreational economist, stresses the "challenging complexity of amenities as an economic force" (2005: 72). What recent history does show is that there is no sure-fire formula—"build it (a performing arts center, snow-mobile trails, gourmet restaurants, regional airport, community college campus), and they will come."

My review of the rural rebound literature largely dovetails with Catherine Reilly and Henry Renski's conclusions in *Place and Prosperity*, their 2007 report to the Governor's Council on Maine's Quality of Place. (A short version appeared in this journal [Reilly and Renski 2008].) The core findings suggest why it is

problematic to count on amenity investments as a technique to attract in-migrants. In sum, human-made amenities are necessary but rarely sufficient to attract settlers: facilitators but not drivers.

Strengthening amenities through targeted investment is seldom an effective substitute for two other critical factors: first, the “big three” attractors, and second, a region’s underlying economic prospects. Regional economic prospects, in turn, are shaped by factors such as a rapidly growing industry, service-sector diversity, a skilled labor pool, career opportunities to lure additional skilled workers, and well-developed transport and communications infrastructure. Working-age people generally “follow jobs.” But businesses typically locate and create jobs where there is already a pool of skilled people. This “chicken and egg” nexus tends to reinforce either a virtuous spiral of in-migration or a vicious circle of out-migration (Deller et al. 2001; Johnson and Cromartie 2006).

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To illustrate the combined influence of basic economic conditions and human-made amenities, the Carsey Institute assesses prospects facing Maine’s Oxford County, which it labels an “Amenity/Decline” region. Although its natural and human-made amenities enhance the potential for economic and demographic revitalization, that dynamic is inhibited by secular decline in traditional resource-based industries and limited service sector diversity and development (Hamilton et al. 2008).

Rural Maine villages and towns are very small, as the debate over school system consolidation has amply revealed. Since communities of a few hundred to a few thousand lack the critical mass to be in-migrant destinations in their own right, a quality-of-place strategy to attract settlers must be regional in scope. Indeed, rural

Maine is well supplied with county economic development bodies, councils of governments, and regional development commissions. However, the quality-of-place strategy implies a level of intercommunity collaboration that has been difficult to achieve or sustain in much of rural Maine. Even clusters of rural towns lack the organizing capacity, and certainly the capital, to develop the core amenity assets required to attract significant numbers of in-migrants: a nearby hospital, quality schools, higher education programs, attractive town centers, varied, high-quality dining options, broadband Internet, and reliable cell phone and high-speed Internet service.

A few additional cautions about the quality-of-place strategy are in order. First, major amenity upgrades rarely happen overnight. An “extreme makeover” may take decades rather than months or years, and there is a further lag between enhancements on the ground and reputational effects on prospective settlers (Barringer et al. 2005; Deller et al. 2001). Second, the amenities that long-time residents prioritize, for instance youth recreation programs and well-groomed snowmobile trails, may differ from those most valued by prospective in-migrants, particularly retirees (Power 2005: 68). Third, attracting in-migrants by investing in amenity assets is a competitive game that everyone is playing. Coastal Maine and the other Northeast states have their own versions of the quality-of-place strategy to capture mobile, amenity-seeking settlers. It is far from certain that Maine’s rim counties can compete successfully in this game.

In conclusion, when rural Maine is viewed through the lens of America’s rural population rebound, its potential to attract sizable numbers of new settlers appears dim. To be sure, communities and sub-regions that have richer natural and human-made amenities will continue to draw small in-migrant streams. My current research in Franklin, Piscataquis and Washington counties shows that some natives return to spend their “golden years” near kinfolk. Some seasonal home owners take up permanent residence. Some nature-loving entrepreneurs settle and create new businesses. Some working-age people are drawn by opportunities in rural growth sectors such as health services and renewable energy. And impressive regional efforts to strengthen rural tourism destinations should

yield more quality jobs and related population growth as the national economy recovers. These bright spots are important, yet they do not negate rural development analyst David Marcouiller's fundamental conclusion: "remote rural areas [are] at a disadvantage when attempting to build on amenities" (2005: 333).

IMPLICATIONS FOR RURAL DEVELOPMENT STRATEGY—IF MAINE HAD ONE

Maine's rim counties obviously lack the warm climate and metropolitan proximity that have been so important in rural America's highly selective population rebound. The literature review also shows that, while quality-of-place investments complement underlying economic potential in attracting new settlers, they are not an effective substitute. Given these sobering realities, is it in the public interest to invest further in rural Maine's quality of place? It seems to me that Maine citizens do, in fact, have several reasons to support rural revitalization efforts. One is altruistic: a moral society fosters economic security for all its citizens. In Maine, the scope of this responsibility extends to our 259,000 rim county neighbors—especially the older and less-mobile ones—who must cope with adverse economic forces far beyond their control. The other reasons are grounded in enlightened self-interest. First, the Northern Forest and Downeast regions provide all Maine residents with recreational amenities, a diverse cultural heritage, and valuable ecosystem services. Sustaining their vitality is a public good. Second, although Maine has never pursued a coherent rural economic strategy, a ceaseless stream of state revenue has nonetheless flowed from the coastal counties to the rim counties (Colgan and Barringer 2007). It is plausible that greater rural prosperity could lighten tax burdens on downstate citizens. Finally, as noted earlier, the rim counties have untapped economic growth potential in sectors such as health care, renewable energy and experiential tourism.

Maine's rural communities and regions are already investing creatively—I am inclined to say *heroically*—to enhance their own quality of place. To my mind, there is a strong case for greater state underwriting of the most promising grassroots initiatives, although we should have a realistic understanding about their limits.

The analysis in this article supports two policy ideas. First, since it is not in our power to induce a major rim county migration, amenity investments should primarily target priorities articulated by the quarter million current residents for enhancing their quality of life. This will, coincidentally, strengthen their incentive to stay.

Second, although quality-of-place investments should not be considered a core rural development tool, they do complement traditional economic policy measures, such as transportation infrastructure, information technology services, R&D, employee training, and tax increment financing. The most direct economic payoff may be in attracting more experiential tourists. This large and growing market segment comprises travelers who seek natural beauty, tranquility, and "soft" outdoor recreation opportunities, but also an attractive built environment, a lively culture, and quality dining and lodging. My current research supports the hypothesis that strategically clustered investments in charming village centers, cultural events, scenic byways, interpretive trails, and other amenity assets can significantly boost rural tourist numbers, tourism revenues and quality tourism jobs.

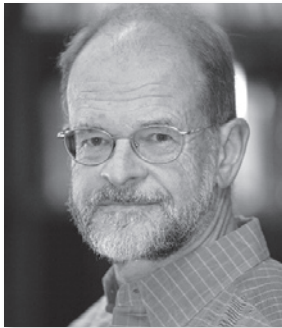
Amenity investments designed primarily to improve residents' well-being and attract experiential tourists will, in their small way, also help lure the highly skilled people—information technology entrepreneurs, nurses, energy technicians, plant managers—needed to staff growing sectors such as health care, renewable energy, and next generation wood products. However, this essay suggests that attracting such talent should not be viewed as the primary payoff to quality-of-place enhancements.

The near-term prospect for big injections of state and federal funds into quality-of-place investments—or rim county economic development more broadly—is not bright. Even so, I hope that all the creative ideas and grassroots initiatives of recent years will lead this year's gubernatorial and legislative candidates to recognize the value of quality-of-place investments, both for rural community vitality and for their small instrumental contribution to rural economic development. 🐟

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David Vail is Adams-Catlin Professor of Economics and former director of environmental studies at Bowdoin College. Since 2004, he has co-directed a Maine Center for Economic Policy project, *Spreading Prosperity to All of Maine*. In 2007–2008 he

was advisor to the Governor’s Council on Maine’s Quality of Place and currently serves on advisory committees for the New England Governors’ Commission on Land Conservation and the University of Maine System’s Center for Tourism Research and Outreach.